

## Social Studies Standards Rationale

To maintain the Union that supports our freedoms, citizens must rely on the knowledge, skills, and character of its citizens and those they elect to public office. Critical to the preservation and improvement of America's republican form of government is the study of America's founding principles, namely the principles as detailed in the United States Constitution, the Declaration of Independence, and in *The Federalist Papers*. The standards include study of the rich and diverse contributions people of many backgrounds have made to American life and institutions, and at the same time, emphasize our shared heritage as citizens and residents of the United States. They require that students acquire both core knowledge and a firm grasp of reasoning and practice in inquiry and research. Students must learn how to frame and test hypotheses, distinguish logical from illogical reasoning, frame reasoned options and arguments, and grasp reflective thinking and evaluation. The standards present the academic content and skills in the four interrelated disciplines of history, geography, civics/government, and economics that are essential to an understanding of human experience, past and present.

### *History*

The study of history is essential in developing citizens who understand contemporary issues with a depth and wisdom drawn from the experience of the past. Through the study of history, which integrates the humanities (such as art and literature) and the social sciences (political science, economics, and geography), students will better understand their own society as well as others. Because most United States institutions and ideals trace their origins through Europe, the study of Western civilizations is a central feature of the standards, although students are also expected to learn about the significant contributions of other non-Western civilizations. Analyzing patterns and relationships within and among world cultures such as economic competition and interdependence, age-old ethnic enmities, and political and military alliances, helps learners carefully examine policy alternatives that have both national and worldwide implications. The deep study of history is further informed and enlivened by considering current events and issues. Important as well, students will develop understanding of chronological thinking, the connection between causes and effects, and between continuity and change. They will see how people in other times and places have grappled with the fundamental questions of truth, justice, and personal responsibility, understand that ideas have real consequences, and realize that events are shaped both by ideas and the actions of individuals.

### *Civics/Government*

The goal of the civics standards is to develop in all students the requisite knowledge and skills for informed, responsible participation in public life; to ensure, through instruction, that students understand the essentials, sources, and history of the constitutions of the United States and Arizona, American institutions and ideals (ARS 15-710). Through these standards, students will understand the foundations, principles, and institutional practices of the United States as a representative democracy and constitutional republic. They will be aware of their rights as citizens and residents of the United States. They will understand the importance of each person as an individual, the importance of respect for the human and civil rights of all people, and our

shared heritage as citizens and residents of the United States. The civics standards also reflect the need to help students develop a basic understanding of politics and government and to practice the skills of good citizenship. Students should be able to obtain, understand, and evaluate information relating to the performance of public officials. Citizenship skills are also required for competent participation in the political process. These include the capacity to influence policies and decisions by working with others, clearly articulating interests and making them known to key decision and policy makers, building coalitions, negotiating, compromising, seeking consensus, and managing conflicts.

### *Geography*

The goal of the geography standards is to provide an understanding of: 1) the human and physical characteristics of the Earth's places and regions, 2) how people of different cultural backgrounds interact with their environment, and 3) how the United States and the student's home state and community are affected by conditions and events in near and distant places. By learning to think spatially, students of geography will learn to analyze locations, places, and their myriad relationships. They will also have a framework to study local, regional, national, and global issues that concern them and understand their place in society. The essential skills of asking geographic questions; acquiring, presenting, and analyzing geographic information; and developing and testing geographic generalizations are central to the standards. The geographic reasoning that is represented is a way of studying human and natural features within a spatial perspective. Through geographic reasoning, students will understand the arrangement and interactions of human and physical systems on the surface of the Earth. As these patterns have changed over time and are important to governments and economies, geographic reasoning will help with students' understanding of history, civics, and economics.

### *Economics*

The goal of the economics standards is to ensure that students understand economics well enough to make reasoned judgments about both personal economic questions and broader questions of economic policy. Through the standards, students will develop an economic way of thinking and problem solving in order to understand and apply basic economic principles to decisions they will make as consumers, members of the workforce, citizens, voters, and participants in a global marketplace. This type of critical thinking will prepare students to weigh not only the short-term effects of a decision, but also its long-term effects and possible unintended consequences. They will understand that because resources are scarce relative to wants, individuals and society must choose how to allocate goods and services among competing uses. Students will also understand that these choices and trade-offs significantly affect the quality of people's lives and explain historical developments and patterns, the results of trade, and the distribution of income and wealth in local, regional, national, and world economies. Understanding the process and components of economic reasoning also will provide a vital framework within which to analyze current issues and public policies, and to understand the complex relationships among economic, political, and cultural systems.

It is possible to spend a lifetime studying these areas without learning about every significant event. Our best hope in the years of formal schooling is that students learn to tell the important

from the unimportant and to know enough about history, geography, economics, and civics and government to inform themselves about the vital connections between the present and the past. Our very first priority is to prepare our young people for the office of citizen. In conjunction with standards frameworks in other disciplines, these standards are designed to help all schools ensure that they promote a high level of academic rigor and provide sound opportunities for all students to learn.

***Table 1. Social Studies Standards***

***STANDARD 1: History***

Students analyze the human experience through time, recognize the relationships of events and people, and interpret significant patterns, themes, ideas, beliefs, and turning points in Arizona, American, and world history.

***STANDARD 2: Civics/Government***

Students understand the ideals, rights, and responsibilities of citizenship, and the content, sources, and history of the founding documents of the United States, with particular emphasis on the Constitution and how the government functions at the local, state, national, and international levels.

***STANDARD 3: Geography***

Students analyze locations, regions, and spatial connections, recognizing the natural and Cultural processes that impact the way in which people and societies live and interact with each other and their environment.

***STANDARD 4: Economics***

Students develop economic reasoning skills to apply basic economic concepts, assess Problems, make choices, and evaluate the choices of others as consumers, workers, and Citizens participating in local, national, and global economies.

# **SOCIAL STUDIES STANDARDS**

## **BY LEVEL: READINESS (Kindergarten)**

### ***STANDARD 1: HISTORY***

Students analyze the human experience through time, recognize the relationships of events and people, and interpret significant patterns, themes, ideas, beliefs, and turning points in in Arizona, American, and world history.

- **1SS-R1. Describe how history is the story of events, people, and places in the past, with emphasis on:**

PO 1. tracing the history of individuals and families, and describing the way people lived in earlier days and how we live differently today

PO 2. the people and events honored in national holidays, including Thanksgiving, Presidents' Day, and Martin Luther King, Jr. Day

- **1SS-R2. Place familiar events in order of occurrence, with emphasis on:**

PO 1. identifying days of the week and months of the year

PO 2. locating events on a calendar, including birthdays, holidays, and school events

### ***STANDARD 2: CIVICS/GOVERNMENT***

Students understand the ideals, rights, and responsibilities of citizenship, and the content, sources, and history of the founding documents of the United States, with particular emphasis on the Constitution and how the government functions at the local, state, national, and international levels.

- **2SS-R1. Describe how a good citizen conducts oneself, with emphasis on:**

PO.1. why we have rules and the consequences of breaking them

PO 2. identifying examples of honesty, courage, cooperation, and patriotism in literature

PO 3. people who help keep us safe in our communities (police, firefighters, nurses, doctors)

- **2SS-R2. Recognize national symbols and icons that represent American democracy and values, with emphasis on:**

PO 1. the national flag and the state flag

PO 2. the bald eagle and the Statue of Liberty

PO 3. the Pledge of Allegiance and the National Anthem

### ***STANDARD 3: GEOGRAPHY<sup>1</sup>***

Students analyze locations, regions, and spatial connections, recognizing the natural and cultural processes that impact the way in which people and societies live and interact with each other and their environment.

- **3SS-R1. Demonstrate understanding of the concept of location, with emphasis on:**

- PO 1. determining the relative location of objects using the terms near/far, behind/in front, over/under
- PO 2. constructing maps of a classroom

### ***STANDARD 4: ECONOMICS***

Students develop economic reasoning skills to apply basic economic concepts, assess problems, make choices, and evaluate the choices of others as consumers, workers, and citizens participating in local, national, and global economies.

- **4SS-R1. Describe the way families produce, consume, and exchange goods and services in their community, with emphasis on:**

- PO 1. descriptions of work that people do
- PO 2. the need to make choices because resources are limited
- PO 3. recognizing various forms of United States money
- PO 4. how money is used to purchase goods and services

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<sup>1</sup> See Appendix for reference to Physical Geography

## **APPENDIX**

### **Physical geography**

Physical geography is the study of the natural processes that interact to produce the Earth's varying physical environments. These natural processes are subdivided into climate, landforms, biota (both plants and animals) and water – with the focus to develop an understanding of why places have particular physical characteristics. These physical geography processes are presented in Standard 4 (Life Science) and Standard 6 (Earth and Space Science) in Arizona's **Science Standards**. They are listed below, as they connect directly with and form the foundation for the rest of the geography standards.

#### **READINESS (Kindergarten)**

Climate:

6SC-R2. Understand that the sun heats and lights the Earth

6SC-R3. Identify how the weather affects daily activities

Landforms:

6SC-R4. Identify basic Earth materials (rocks, soils, water and gases) and their common uses

## SOCIAL STUDIES GLOSSARY

**Amendment (Constitutional)** Changes in, or additions to, a constitution. Proposed by a two-thirds vote of both houses of Congress or by a convention called by Congress at the request of two-thirds of the state legislatures. Ratified by approval of three-fourths of the states.

**Articles of Confederation** The first constitution of the United States (1781). Created a weak national government; replaced in 1789 by the Constitution of the United States.

**Balance of Payments** A record of all economic transactions between the residents of a country and those of foreign countries for a one-year period. This includes the movement of goods (exports and imports), and also the flow of services and capital (e.g., purchases of tourists, investment income, gifts, pensions, and foreign aid).

**Balance of Trade** The difference between the total amount of exports and imports for a country in one year.

**Barter** The direct exchange of one good or service for another without the use of money.

**B.C.E. and C.E.** Before the Common Era (formerly known as B.C.) and Common Era (formerly known as A.D.).

**Bicameral** A legislative body composed of two houses.

**Bill of Rights** The first ten amendments to the Constitution. Ratified in 1791, these amendments limit governmental power and protect basic rights and liberties of individuals.

**Bureaucracy** Administrative organizations that implement government policies.

**Business Cycle** The periods of recession and expansion that an economy goes through because production does not increase continuously over time.

**Cabinet** Secretaries, or chief administrators, of the major departments of the federal government. Cabinet secretaries are appointed by the president with the consent of the Senate.

**Capital** Manufactured resources such as tools, machinery, and buildings that are used in the production of other goods and services (e.g., school buildings, books, tables, and chairs are some examples of capital used to produce education). This is sometimes called real capital.

**Case Study** The in-depth examination of an issue.



**Checks and Balances** The Constitutional mechanisms that authorize each branch of government to share powers with the other branches and thereby check their activities. For example, the president may veto legislation passed by Congress; the Senate must confirm major executive appointments; and the courts may declare acts of Congress unconstitutional.

**Circular Flow Model** A diagram showing how households, firms, and the government are interdependent. Circular flow of income diagrams are used to illustrate that there are several ways to measure national income flows.

**Citizen** A member of a political society who owes allegiance to the government and is entitled to its protection.

**Civil Rights** The protections and privileges of personal liberty given to all U.S. citizens by the Constitution and Bill of Rights.

**Command Economy** A type of economic system where the resources are state owned and their allocation and use is determined by the centralized decisions of a planning authority (e.g., the former Soviet Union).

**Common or Public Good** To the benefit, or in the interest, of a politically organized society as a whole.

**Comparative Advantage** The idea that countries gain when they produce those items that they are most efficient at producing.

**Competitive Behavior** When a business or individual acts in a self-interested way intending to increase wealth.

**Concurrent Powers** Powers that may be exercised by both the federal and state governments (e.g., levying taxes, borrowing money and spending for the general welfare).

**Confederate** Of, or pertaining to, a group of states more or less permanently united for common purposes.

**Consumer** A person or organization that purchases or uses a product or service.

**Consumer Sovereignty** The power consumers have in directing market economies because goods and services are produced and exchanged mostly to satisfy consumer wants.

**Criminal Justice** The branch of law that deals with disputes or actions involving criminal penalties. It regulates the conduct of individuals, defines crimes, and provides punishment for criminal acts.

**Cultural Diffusion** The adoption of an aspect (or aspects) of another group's culture, such as the spread of the English language.

**Cultural Landscape** The visual outcome of humans living in a place.

**Culture** The learned behavior of people, such as belief systems and languages, social relations, institutions, organizations, and material goods such as food, clothing, buildings, technology.

**Deflation** A general lowering of prices. The opposite of inflation.

**Delegated Powers** Powers granted to the national government under the Constitution, as enumerated in Articles I, II and III.

**Demand** How much a consumer is willing and able to buy at each possible price.

**Democracy** The practice of the principle of equality of rights, opportunity, and treatment.

**Demographics** The statistical data of a population (e.g., average age, income, education).

**Developed Nation** A country with high levels of well-being, as measured by economic, social, and technological sophistication.

**Developing Nation** A country with low levels of well-being, as measured by economic, social, and technological sophistication.

**Diffusion** The spread of people, ideas, technology and products between places.

**Distribution** The arrangement of items over an area.

**Due Process of Law** The right of every citizen to be protected against arbitrary action by government.

**Eagle Feather** A universal symbol among American Indian Nations embodying power, strength, and values.

**Economic Growth** An increase in an economy's ability to produce goods and services which brings about a rise in standards of living.

**Ecosystem** The interaction of all living organisms with each other and with the physical environment.

**Emigration** People leaving a country (or other political unit).

**English Bill of Rights** An act passed by Parliament in 1689 which limited the power of the monarch. This document established Parliament as the most powerful branch of the English government.

**Entrepreneur** A person who organizes, operates, and assumes the risk for a business venture.

**Environment** Everything near and on the Earth's surface. Natural or physical environment refers to climate, biosphere, hydrosphere, soil, and geology. Human or cultural environment refers to aspects of the environment produced by humans.

**Equal Protection Clause** The Fourteenth Amendment provision that prohibits states from denying equal protection of the laws to all people - that is, discriminating against individuals in an arbitrary manner, such as on the basis of race.

**Equal Protection of the Law** The idea that no individual or group may receive special privileges from, nor be unjustly discriminated by, the law.

**Erosion** The lowering of the land surface by physical processes such as flowing water, landslides, glacial ice, waves, and wind.

**Exchange Rate** The price of one currency in terms of another (e.g., pesos per dollar).

**Ex Post Facto Law** A law that makes criminal an act that was legal when it was committed. (Latin: "after the fact")

**Federal Reserve System** A system of 12 district banks and a Board of Governors that regulates the activities of financial institutions and controls the money supply.

**Federal Supremacy** Article VI of the Constitution providing that the Constitution and all federal laws and treaties shall be the "supreme Law of the Land." Therefore, all federal laws take precedence over state and local laws.

**Federalism** A form of political organization in which governmental power is divided between a central government and territorial subdivisions--in the United States, among the national, state, and local governments.

**Federalist Papers** A series of essays written by Alexander Hamilton, John Jay and James Madison that were published to support the adoption of the proposed United States Constitution.

**Federalists** Advocates of a strong federal government and supporters of the adoption of the U.S. Constitution.

**Feudalism** Political and economic system in which a king or queen shared power with the nobility, who required services from the common people in return for allowing them to use the noble's land.

**Fiscal Policy** How the government uses taxes and/or government expenditures to change the level of output, employment, or prices.

**Foreign Policy** Policies of the federal government directed to matters beyond U.S. borders, especially relations with other countries.

**Founders** People who played important roles in the development of the national government of the United States.

**Framers** Delegates to the Philadelphia Convention held in 1787, and those who wrote and ratified the Bill of Rights.

**Free Enterprise** The freedom of private businesses to operate competitively, for profit, and without government controls.

**Freedom of Expression** The freedoms of speech, press, assembly, and petition that are protected by the First Amendment.

**Freedom of the Press** Freedom to print or publish without governmental interference.

**Geographic Grid** A system to locate points on the Earth's surface (e.g., latitude and longitude).

**Geographic Information System (GIS)** A computer database that displays information like a map, but can do much more than just show patterns. A GIS database consists of "layers" of information about places (e.g., topography, vegetation, roads, buildings, sewers) that can be combined with a geographical perspective to solve societal problems.

**Geographic Tool** A device used to compile, organize, manipulate, store, report, or display geographic information, including maps, gazetteers, globes, graphs, diagrams, aerial photographs, satellite images, geographic information systems, and other computer databases and software.

**Great Compromise** An agreement made at the Constitutional Convention of 1787 that balanced the interest of the small and large states, resulting in the United States Senate being made up of two Senators from each state and a House of Representatives based on population.

**Gross Domestic Product** A measure of how much an economy produces each year, stated in the dollar value of final goods and services.

**Human Capital** The knowledge and skills that enable workers to be productive.

**Human Characteristics** The pattern that people make on the surface of the Earth, such as cities, roads, canals, farms, and other ways people change the Earth.

**Immigration** People moving to a country (or other political unit).

**Impeachment** The act of accusing a public official of misconduct in office by presenting formal charges against him or her by the lower house, with a trial to be held before the upper house.

**Inalienable Rights** Fundamental rights of the people that may not be taken away. A phrase used in the Declaration of Independence.

**Incentive** A benefit offered to encourage people to act in certain ways.

**Inflation** A general rise in the level of prices.

**Initiative** A form of direct democracy in which the voters of a state can propose a law by gathering signatures and having the proposition placed on the ballot.

**Interdependence** Reliance on people in other places for information, resources, goods, and services.

**Isolationism** The belief that the United States should not be involved in world affairs and should avoid involvement in foreign wars.

**Judicial Review** The doctrine that permits the federal courts to declare unconstitutional, and thus null and void, acts of the Congress, the executive, and the states. The precedent for judicial review was established in the 1803 case of *Marbury v. Madison*.

**Justice** Fair distribution of benefits and burdens, fair correction of wrongs and injuries, or use of fair procedures in gathering information and making decisions.

**Land Use** How people use the Earth's surface (e.g., urban, rural, agricultural, range, forest); often subdivided into specific uses (e.g., retail, low-density housing, industrial).

**Landform** A description of the Earth's shape at a place (e.g., mountain range, plateau, flood plain).

**Latitude** The angular distance north or south of the equator, measured in degrees along a line of longitude.

**Legend** The map key that explains the meaning of map symbols.

**Liquidity** The ease and speed with which something can be turned into cash (e.g., one can more quickly sell a common stock than a house; therefore, the stock is a more liquid asset than a house).

**Longitude** Angular distance east or west, almost always measured with respect to the prime meridian that runs north and south through Greenwich, England.

**Loyal Opposition** The idea that opposition to a government is legitimate. Organized opponents to the government of the day.

**Macroeconomics** The branch of economics which considers the overall aspects and workings of a national economy such as national output, price levels, employment rates, and economic growth.

**Magna Carta** Document signed by King John of England in 1215 A.D. that limited the king's power and guaranteed certain basic rights. Considered the beginning of constitutional government in England.

**Marginal Analysis** Making decisions based on the impact of the next dollar spent or the change one more unit would bring about. For example, when a person doesn't make an all-or-nothing decision to eat a bag of potato chips but decides, instead, chip-by-chip, or at the margin, whether to eat another one.

**Market Economic System** A system in which most resources are owned by individuals and the interaction between buyers and sellers determines what is made, how it is made, and how much of it is made.

**Market Price** The price at which the quantity of goods and services demanded by consumers and the quantity supplied by producers are the same. This is sometimes called the equilibrium price.

**Market** Any setting in which exchange occurs between buyers and sellers.

**Mayflower Compact** The document drawn up by the Pilgrims in 1620, while on the Mayflower, before landing at Plymouth Rock. The Compact provided a legal basis for self-government.

**Mercantilism** An economic and political policy in which the government regulates the industries, trade, and commerce with the national aim of obtaining a favorable balance of trade.

**Microeconomics** The branch of economics concerned with the decisions made by individuals, households, and firms and how these decisions interact to form the prices of goods and services and the factors of production.

**Monarchy** A type of government in which political power is exercised by a single ruler under the claim of divine or hereditary right.

**Monetary Policy** Management of the money supply and interest rates to influence economic activity.

**National Security** Condition of a nation's safety from threats, especially threats from external sources.

**Natural Hazard** A process taking place in the natural environment that destroys human life, property, or both (e.g., hurricane, flooding).

**Opportunity Cost** The value of the next best alternative that must be given up when a choice is made (e.g., the opportunity cost of studying on a Saturday night is the fun you are missing by not going to the dance).

**Price Ceilings** Government policy which prevents the price of a good or service from exceeding a particular level (e.g., rent control or the price of gasoline during the 1970's).

**Principle** A basic rule that guides or influences thought or action.

**Producers** People who change resources into an output that tends to be more desirable than the resources were in their previous form (e.g., when people produce French fries, consumers are more inclined to buy them than the oil, salt, and potatoes individually).

**Production Possibilities Curve** The different combinations of various goods that a producer can turn out over a given period, given the available resources and existing technology.

**Progressive Tax** A tax structure where people who earn more are charged a higher percentage of their income (e.g., the federal income tax).

**Projection** A mathematical formula by which a geographic grid (and the shapes of land and water bodies) can be transferred from a sphere to a flat surface (e.g., a map or geographic information system).

**Property Rights** The rights of an individual to own property and keep the income earned from it.

**Proportional Tax** A tax structure where all people pay about the same percentage of their incomes in taxes (e.g., a flat rate tax).

**Protectionism** The practice of protecting domestic industries from foreign competition by imposing import duties or quotas.

**Public Service** Service to local, state, or national communities through appointed or elected office.

**Quota** A limit on how much of a good can be imported. The limit is set either by quantity or by the dollar value.

**Ratify** To confirm by expressing consent, approval, or formal sanction.

**Referendum** A form of direct democracy in which citizens of a state, through gathering signatures, can require that a legislative act come before the people as a whole for a vote. The process also allows the legislature to send any proposal for law to the people for a vote.

**Region** A larger-sized territory that includes many smaller places, all or most of which share similar attributes, such as climate, landforms, plants, soils, language, religion, economy, government or other natural or cultural attributes.

**Regressive Tax** A tax structure where people who earn more pay a smaller percentage of their income in taxes (e.g., sales taxes).

**Representative Democracy** A form of government in which power is held by the people and exercised indirectly through elected representatives who make decisions.

**Republican Government** A system of government in which power is held by the voters and is exercised by elected representatives responsible for promoting the common welfare.

**Resources** Land, labor, capital, and entrepreneurship used in the production of goods and services. A part of the natural environment that people value, such as soil, oil, iron or water.

**Return** How well you do by investing in one asset as opposed to another (e.g., if you buy a house in an up-and-coming neighborhood, you expect a better return when you sell it than if you buy a house next to where a new freeway is going to be built).

**Revolution** A complete or drastic change of government and the rules by which government is conducted.

**Risk** How much uncertainty accompanies your choice of investment (e.g., if you lend money to someone who has just escaped from prison, you are taking more of a risk than if you lend money to your mother).



**Rule of Law** The principle that every member of a society, even a ruler, must follow the law.

**Scale** The relationship between a distance on the ground and the distance on the map. For example, the scale 1:100,000 means that one unit of distance (e.g. an inch or millimeter) on the map equals 100,000 of these units on the Earth's surface.

**Scarce** A good or service that is insufficient in quantity to satisfy the demand or need for it.

**Separation of Powers** The division of governmental power among several institutions that must cooperate in decision making.

**Sovereignty** The ultimate, supreme power in a state (e.g., in the United States, sovereignty rests with the people).

**Spatial** Pertaining to distribution, distance, direction, areas and other aspects of space on the Earth's surface.

**Specialization** When a business focuses on producing a limited number of goods and leaves the production of other goods to other businesses. Specialization also describes how each person working to produce a good might work on one part of the production instead of producing the whole good (e.g., in a shoe factory one person cuts the leather, another person sews it, another glues it to the sole).

**Standard of Living** The overall quality of life that people enjoy.

**Suffrage** The right to vote.

**Supply** The quantity of a product or service a producer is willing and able to offer for sale at each possible price.

**Tariff** A tax on an imported good.

**Thematic Map** A map showing the distribution (or statistical properties) of cultural or natural features, such as a thematic map of unemployment or a thematic map of rainfall.

**Theocracy** Any government in which the leaders of the government are also the leaders of the religion and they rule as representatives of the deity.

**Totalitarianism** A centralized government that does not tolerate parties of differing opinion and that exercises dictatorial control over many aspects of life.

**Treaty** A formal agreement between sovereign nations to create or restrict rights and responsibilities. In the U.S., all treaties must be approved by a two-thirds vote in the Senate.

**Unitary Government** A government system in which all governmental authority is vested in a central government from which regional and local governments derive their powers (e.g., Great Britain and France, as well as the American states within their spheres of authority).

**United Nations** An international organization comprising most of the nations of the world, formed in 1945, to promote peace, security, and economic development.

**Urbanization** The process whereby more people live and work in cities.

**Voluntary Exchange** Trade between people when each one feels he or she is better off after the trade (e.g., if you sell your old exercise bike for cash, you gain because you would rather have the cash than the bike, but the other person gains because he or she would rather have the bike than the cash).